

**Comparison between the Current Approach to Child Care and Early Education and the Financing Approach included in the Access to High Quality Early Learning Study (Washington State)**

	Current Approach/System	Access to High Quality Early Learning: Financing Approach	
Services and System	<p>Current public investments in child care and early education generally focus on:</p> <ul style="list-style-type: none"><li>• Setting and regulating minimum licensing standards for child care centers and homes.</li><li>• Providing child care subsidies for low-income working families.</li><li>• Offering higher quality comprehensive early learning opportunities for very low income preschool children (Head Start and ECEAP).</li><li>• Providing limited investments to improve child care quality through quality set-asides.</li></ul>	<p>Cost, quality, and financial access policies are interrelated and comprise a comprehensive system of early learning.</p> <p>The early learning package contains:</p> <ul style="list-style-type: none"><li>• Elements of QRIS including definitions of quality for centers and family child care</li><li>• Policies to help families afford high quality care</li><li>• Governance, implementation, and accountability</li><li>• Family, friend, and neighbor supports</li><li>• Parent education and support</li><li>• Administration of benefits</li></ul>	
Spending	<ul style="list-style-type: none"><li>• Annual child care spending for children birth to six includes approximately \$46 million in state and \$144 in federal CCDF and TANF funds--plus \$30 million state and \$5 million federal for ECEAP.</li><li>• Approximately \$133 million in federal funds is spent in Washington State on Head Start, Early Head Start, and Migrant and Indian Head Start Services.</li></ul>	Components of Early Learning Package	Annual Increase in State/Local/Private Costs (millions, 2006\$)
		High quality early learning with QRIS with estimated attainment at each level and access for families	348
		Supports for family, friend, and neighbor caregivers	5
		Parental support and education	37
		Child care and ECEAP partnerships and expansion	43
		Total	433
Family Affordability	<ul style="list-style-type: none"><li>• Parents are the primary purchasers of services. They choose from among family, friend and neighbor care, regulated child care centers and homes, and preschools (including Head Start, ECEAP, private preschools, etc.).</li><li>• Head Start and ECEAP services are provided free of charge to very low income families (to 100% Federal Poverty Level (FPL) for Head Start and 110% FPL for ECEAP).</li><li>• Government child care subsidies are available for at-risk and low-income working families or, on a limited basis, families pursuing approved education and training.</li></ul>	<ul style="list-style-type: none"><li>• Assistance is in the form of scholarships for families that vary by income based on what families can afford to pay.</li><li>• As child care quality and cost increase, eligibility extends to more families whose parents are working or are in-school or training. Some level of scholarship will be provided to families just over three times FPL (approximately \$62,000/year for a family of four) or almost 70% of all families with children birth to six.</li><li>• The number of children served would be a 65% increase over the number of children currently served.</li></ul>	

	Income eligibility is to 200% of the FPL (\$32,184/year for a family of three).	<ul style="list-style-type: none"> <li>For low-income children whose access to stable high quality early learning is jeopardized by their parents' variable work/training patterns and periods of unemployment, provision is made to provide transitional scholarships. ECEAP and child care partnerships are also established (see below).</li> </ul>
<b>Child Care Rate Setting</b>	<ul style="list-style-type: none"> <li>Head Start and ECEAP programs have cost-based contracts to serve a particular number of children.</li> <li>Child care providers establish parent fees based on what the market will bear, though many parents are still priced out of the market.</li> <li>Federal regulations require states to offer eligible families vouchers that provide access to the same types of care as other families.</li> <li>States must demonstrate that its payment rates are adequate based on a biennial survey of child care providers (or other facts that demonstrate access).</li> <li>Washington child care subsidy reimbursement rates are set just below the 50<sup>th</sup> percentile of the market, enough to pay what 42% of child care in the state costs (the 42<sup>nd</sup> percentile) based on its 2004 survey of providers.</li> </ul>	<p>Rates are based on actual costs to providers for achieving different levels of QRIS quality including:</p> <ul style="list-style-type: none"> <li>Professional development</li> <li>Educational requirements of staff</li> <li>Compensation</li> <li>Child: adult ratios</li> <li>Quality Assurance and Promotion</li> </ul>
<b>Staffing, Worker Qualifications and Compensation</b>	<ul style="list-style-type: none"> <li>Child care staff-child ratios are established by licensing and vary by age of child, e.g., centers must have at least one teacher for every four infants, seven toddlers or ten preschool-age children.</li> <li>Center teachers earn an average of \$10.16 an hour or approximately \$21,000 a year.</li> <li>Licensed family child care providers average \$29,722 in gross receipts prior to deducting business costs. They work an average of 58 hours a week.</li> </ul>	<ul style="list-style-type: none"> <li>Increased center staff-child ratios for toddlers (from 1:7 to 1:5) and preschoolers (1:10 to 1:9) between QRIS Level 1 and Level 5 (tied to NAEYC accreditation requirements).</li> <li>Staff Mix: The percent of center staff with more advanced degrees increases between QRIS Level 1 and Level 5.</li> <li>Compensation: Annual salary schedule for BA-level early education teachers is pegged to the annual salary of elementary school teachers: ~\$14.65. Salaries vary around this by education, experience, and position title. This salary schedule represents a small increase over current salary levels.</li> </ul>

<b>Professional Development</b>	<p>Licensed centers and homes must meet basic training requirements. Limited supports are available through state-sponsored scholarships and training (typically through resource and referral agencies, STARS and community colleges/voc techs).</p> <ul style="list-style-type: none"> <li>Center directors, program supervisors, lead teachers and family child care providers must complete one of the following within the first six months of licensure or employment: 1) 20 clock hours or two college quarter credits of basic training; 2) a current child development associate certificate/equivalent, or 12 or more college credits in early childhood education/development; or 3) an associate degree or higher in early childhood education or child development.</li> <li>Annually, directors, program supervisors, lead teachers and family child care providers must complete 10 clock hours or one college credit of continuing education.</li> </ul>	<p>The following are included in the financing approach:</p> <ul style="list-style-type: none"> <li>Direct tuition and institutional subsidies for one course per year at four-year institutions, two-year institutions, or community-based training/workshops.</li> <li>Paid release time for staff: 50 hours per year.</li> <li>Supplemental Expenses (child care, books, transportation).</li> <li>ECE staff pay a small portion of direct tuition costs depending on education level.</li> <li>Increased educational levels and compensation.</li> </ul>
<b>Supports to Safety and Quality</b>	<ul style="list-style-type: none"> <li>Head Start and ECEAP programs are required to meet performance standards.</li> <li>State regulation: centers and family child care homes must meet minimum licensing standards; FFN caregivers serving state-subsidized children must undergo background checks; part-day preschools are exempt from regulation.</li> <li>States are required to spend a portion (at least 4%) of their federal child care dollars to promote access and quality—resource and referral, STARS, scholarships, career and wage ladder, health consultation, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Quality supports are built-into the financing approach through rates paid to providers (see Provider Payments above) and through Governance and Implementation costs.</li> </ul>
<b>Governance and Implementation</b>	<p>Unlike K-12 which has long-standing mechanisms for governance, infrastructure and funding, early learning has historically lacked stable governance and funding making it vulnerable to political shifts and budget shortfalls.</p>	<p>Costs for Governance and Implementation include the following statewide functions and cost:</p> <ul style="list-style-type: none"> <li>Governance: \$600,000 annually (includes state-level advisory committee and DEL implementation of QRIS).</li> <li>QRIS Support: \$20.9 million annually (includes grants, accreditation fees, external assessment, mentoring and technical assistance).</li> <li>Child Care Resource &amp; Referral: \$8.1 million annually (core functions).</li> <li>MIS: \$7 million (one-time development costs over a two-year period).</li> <li>Evaluation: \$4 million (includes evaluating QRIS program operation and child outcomes over two years).</li> </ul>

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		(See Appendix B for details on Governance and Implementation)
<b>Family, Friend, &amp; Neighbor (FFN) Support</b>	Privately-funded King County model of supports include facilitated play and learn groups, Ready, Set, Go Bags, Taking Care of Children booklets, etc.	<p>Provides a menu of options for supporting FFN caregivers based on the established King County model and extended statewide. The supports include:</p> <ul style="list-style-type: none"> <li>• Facilitated Play and Learn groups (to reach approximately 11,600 children).</li> <li>• Ready, Set, Go bags (to reach 15% of caregivers).</li> <li>• Taking Care of Children booklets (to reach 45% of caregivers).</li> <li>• System integration with other social service agencies.</li> <li>• Infrastructure for coordination, technical assistance, public awareness.</li> </ul> <p>Estimated statewide cost: \$4.6 million. The ELC recommended some of these funds go toward evaluation.</p> <p>See Appendix C for details on additional supports.</p>
<b>ECEAP and Child Care Partnerships</b>	While Head Start programs serve some infants and toddlers, ECEAP services are limited to children three through five.	<p>Provide funding for high quality child care-ECEAP partnerships for children birth to age six regardless of parent's employment status. The cost allotment is based on estimates for serving just over half the children B-6 in half-day programs not otherwise eligible for child care subsidies.</p> <p>Estimated statewide cost: \$43 million (assumes serving half of children birth to six up to two times the federal poverty line not otherwise eligible for child care subsidies)</p>
<b>Parent Support and Education</b>	Performance standards require Head Start and ECEAP programs to provide family support, however no such requirements exist for child care programs. In addition, linkages need to be strengthened among child care, early education and parent support programs.	<p>As early learning providers move from QRIS level 1 to level 5, they will be required to provide increased levels of parent information and support.</p> <p>Provide enhanced parent education and support activities including:</p> <ul style="list-style-type: none"> <li>• Infrastructure (needs assessment and advisory board--\$500,000)</li> <li>• Enhanced resource and referral line, expansion of Child Profile, MIS (\$902,813)</li> <li>• Home-visiting models (to reach 15% of low-income families, or approximately 7,000 families with children birth to six--\$28 million)</li> <li>• Parent education workshops (to reach 20% of low-</li> </ul>

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		<p>income families, or approximately 9,400 families with children birth to six--\$7.7 million)</p> <p>Costs for a public education campaign are not currently included and will need to be estimated for inclusion, if specified.</p> <p>Estimated statewide cost: \$37 million</p>
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#### Questions and Answers:

**How are the costs for high quality early learning calculated?** Costs for basic early learning are calculated on a per child basis based on patterns of child care use in each type of care from household survey adjusted for increased demand. Thus, costs for QRIS are not calculated or presented on a provider or facility basis. The number of providers and facilities is dependent on the specified ratios for QRIS, thus current data, to the extent it is available, on the number of providers is not relevant for the calculations.

**What do the “scale-up” costs assume?** The ELC Access Study Steering Committee requested an estimate of the costs associated with a phase-in or scale-up approach for implementing the comprehensive package of early learning for children birth to six (B-6). They suggested the following for next biennium (2007–09):

- First year of the next biennium (2007 – 2008), implement comprehensive early learning package to 15% of families with children B-6.
- Second year of the next biennium (2008 – 2009), expand services to an additional 10% of families with children B-6, for a total of 25% of children B-6.
- Scale-up communities would have same scope of services, outreach, and eligibility as statewide recommendations, just on a smaller scale.
- Some Governance and Implementation functions would be implemented statewide during the scale-up period to build the necessary infrastructure for statewide expansion, including governance, CCR&R, MIS, and some of the parent support functions such as the needs assessments, infrastructure, and expanded resources. Costs for the next biennium (inflation adjusted) in terms of increased state/local/private cost: 2007-08: \$91 million; 2008-09: \$134 million; total for the two year period (2007-2009) \$225 million.
- It would cost an estimated additional \$24 million for raising market rates to current 50<sup>th</sup> percentile for remainder of state and assuring appropriate access during the scale-up period of the next biennium.